GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:172
ANSWERED ON:12.12.2003
INDO-RUSSIAN TRADE
SRIPRAKASH JAISWAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether poor market research has adversely affected the Indo-Russian trade expansion;

(b) if so, the factors which are responsible for adverse trade expansion;

(c) whether FICCI had sent a delegation to Russia in the second week of November, 2003 to sort out the problem;

(d) if so, the facts thereof;

(e) whether at present, the biggest impediment for improving bilateral trade is rupee-rouble trade; and

(f) if so, the steps being taken to convert rupee-rouble trade into a `Free foreign exchange` trade?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI S.B. MOOKHERJEE)

(a) to (f) A Statement is laid on the Table of the House.

STATEMENT REFEREED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO.172 12.12.2003 REGARDING INDO-RUSSIAN TRADE

(a) & (b): The expansion of Indo-Russian bilateral trade has been affected not so much on account of market research, but due to certain other factors which inter-alia include inadequate inter-banking relations, transition of Russian economy from its centrally planned system to a market economy, lack of intensive business to business interactions, distance and language barriers.

(c) & (d): FICCI led a high powered delegation coinciding with the visit of Honourable PM to Moscow in November, 2003During the visit, the delegation discussed various issues of mutual trade interest with their Russian counterparts and other organisations to enhance Indo-Russian economic cooperation.

(e) & (f): Indian imports from Russia are in freely convertible currency while exports to Russia can take place in freely convertible currency as well as in Indian rupees under the Debt Repayment Route. Keeping in view the declining annual repayment schedule of the rupee debt funds and with a view to ensuring expansion in trade, various steps have been initiated to encourage exports from India through normal commercial channels. These include extension of lines of credit to Russian banks, developing corresponding relationships between the banks and financial institutions, initiation of steps for opening of a Joint Venture bank by State Bank of India and Canara Bank, reactivation of Joint Business Councils, organisation of trade fairs/exhibitions etc.